

REMARKS

The application has been reviewed in light of the Office Action dated May 19, 2004. Claims 1-16 are pending, with claims 1, 6 and 14 being in independent form. By this Amendment, Applicants have amended claims 1, 6, 15 and 16 to place the claim in better form for examination and to clarify the claimed invention.

The drawings were objected to under 37 C.F.R. §1.84(p)(5), as purportedly having reference characters that do not appear in the description.

By this Amendment, the specification has been amended to include the reference characters noted in the Office Action.

Withdrawal of the objection to the drawings is respectfully requested.

The disclosure was objected to as purportedly having informalities.

By this Amendment, the disclosure has been amended to correct the formal matters noted in the Office Action.

Withdrawal of the objection to the disclosure is respectfully requested.

Claims 1-16 were rejected under 35 U.S.C. §112, second paragraph, as allegedly indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Office Action states that the claims recite the intended purpose of managing shipping charges but purportedly do not recite a step or means for performing the function of managing.

Applicants disagree.

Claim 1 describes, for example, "... utilizing the computed

differences in managing shipping charges."

Claim 6 (as amended) describes, for example, "... utilizing said difference to manage shipping charge information."

The Office Action contends that independent claims 1, 6 and 14 are purportedly vague, indefinite and unclear because the claims do not set forth sufficient details to teach one how to use the computed difference to manage shipping charges.

Applicants submit that it is not the purpose of patent claims to teach one how to practice the claimed invention. It is well-established by relevant Federal Circuit case law, as well as other relevant guidelines, that one looks to the specification, and not to the claims, for guidance regarding how to practice the claimed invention. See, for example, S3 Inc. v. Nvidia Corp., 259 F.3d 1364, 1369 (Fed.Cir. 2001). See also MPEP §2164.08 which states that one "does not look to the claims but to the specification to find out how to practice the claimed invention."

Here, the bounds specified by the current claims are clear, that is, the computed differences are utilized to manage shipping charges.

Claims 15 and 16 have been amended to correct obvious typographical errors, that is, to depend from system claim 14 (rather than from method claim 13).

Withdrawal of the rejection under 35 U.S.C. §112, second paragraph, is respectfully requested.

Claim 1 was rejected under 35 U.S.C. §102(b) as purportedly anticipated by "TransCanada's incentive-rate plan approved", American Gas, vol. 78, no. 3 (06 April 1996) ("the American Gas reference"). Claim 1 was rejected under 35 U.S.C. §102(e) as purportedly anticipated by U.S. Patent Appl. Publication No. 2002/0019759 of Arunapuram et al.

Claims 2-16 were rejected under 35 U.S.C. §103(a) as allegedly unpatentable over Arunapuram in view of the Background section of the application and Gerety, "Zone prices inaugurated for Reynolds division," American Metal Market, vol. 94, pg. 1 (14 November 1986).

Applicants have carefully considered the Examiner's comments and the cited art, and respectfully submit that claims 1, 6 and 14 are patentable over the cited art, for at least the following reasons.

This application relates to tracking and making use by a supplier of variances between, on one hand, amounts billed to the supplier by a shipper for shipping items from one country (for example, Japan) to customers in another country (for example, the U.S.) and, on the other hand, amounts billed by the supplier to customers, in a setting in which the supplier uses a carrier to ship a consolidated international shipment of numerous individual orders from the one country to the other country and then the individual packages are thereafter distributed in the latter country. From the customer's point of view, the order appears to be shipped from a warehouse in the U.S.

Since the supplier in many instances must inform a customer of the shipping charge for shipping an item to the customer, before the amount charged by the shipper to the supplier is known, the shipping charge to the customer is typically determined by the supplier by reference to one or more virtual supplier locations in the other country (i.e. where the customer location is). More specifically, although the package is shipped internationally, the customer is billed according to a domestic freight charge from the virtual supplier location. Therefore, the cost to the supplier of shipping an order to a customer typically is not the same as the shipping charge billed to the customer.

However, Applicants devised methodologies for managing shipping charges wherein variance information as between the amounts billed by the shipper including the international shipment and the amounts billed to the customers is tracked and used to determine, for example, overhead cost to the supplier (which can be passed on through pricing of goods) and/or, on a regular basis, update a fixed tack-on charge that is added to shipping charges to the customers. The methodologies of this application allow the supplier to maintain fewer warehouses in this country, while tracking accumulated shipping costs and setting prices and/or shipping charges to customers to compensate for historical shipping costs. It should be noted that it is important to track variances as between the amounts billed by the shipper including the international shipments and the amounts billed to the customers, because the amount charged by the shipper varies from international shipment to international shipment, depending on assorted factors (with weight being only one of the factors).

The cited art does not disclose or suggest the claimed invention.

The American Gas reference, as understood by Applicants, is directed to the accounting of costs in the pipeline business. The reference discusses the sharing of variances in projected revenue, by the pipeline company and shippers.

However, Applicants do not find a teaching or suggestion in the American Gas reference of computing differences between (a) first shipping charges by the shipping entity to the supplier for transportation of items by the shipping entity from the one or more actual supplier locations to the customer locations and (b) second shipping charges by the supplier to customers calculated by reference to charges applicable to shipment of the items to the customers from

one or more virtual supplier locations that are different from the one or more actual supplier locations, and utilizing the computed differences in managing shipping charges, as provided by the claimed invention described in claim 1.

Arunapuram, as understood by Applicants, is directed to transportation planning and execution. Arunapuram discloses an electronic system for managing and planning shipping and transportation, including a freight payment manager which accounts for incurred carrier costs, allocates the costs to the proper orders, and authorizes payment or invoices for executed freight movements.

Applicants do not find a teaching or suggestion in Arunapuram, however, of computing differences between (a) first shipping charges by the shipping entity to the supplier for transportation of items by the shipping entity from the one or more actual supplier locations to the customer locations and (b) second shipping charges by the supplier to customers calculated by reference to charges applicable to shipment of the items to the customers from one or more virtual supplier locations that are different from the one or more actual supplier locations, and utilizing the computed differences in managing shipping charges, as provided by the claimed invention described in independent claims 1, 6 and 14.

In addition, Applicants find no discussion or suggestion in Arunapuram of packaging in a first country items for orders from a number of customers in a second country, into individual packages addressed to the respective customers, consolidating the individual packages into a collective international shipment, shipping the collective international shipment as a single package to the second country, and dividing the collective international shipment in the

second country into the individual packages and shipping the individual packages to the respective customers from a location in the second country.

Should the Examiner disagree therewith, it is respectfully requested that the Examiner specify where in the cited document there is a basis for such disagreement.

Gerety, as understood by Applicants, is directed to geographically zoned pricing structure for aluminum sheets, coil and plates, in order to account for differences in freight costs. However, Gerety does not cure the above-discussed deficiencies of the American Gas reference and Arunapuram.

Since the cited art does not disclose or suggest each and every feature of the claimed invention, Applicants maintain that the claims are allowable thereover.

Applicants respectfully submit that independent claims 1, 6 and 14, and the claims depending therefrom, are patentable over the cited art.


If a petition for an extension of time is required to make this response timely, this paper should be considered to be such a petition, and the Commissioner is authorized to charge the requisite fees to our Deposit Account No. 03-3125.

The Office is hereby authorized to charge any additional fees that may be required in connection with this amendment and to credit any overpayment to our Deposit Account No. 03-3125.

If a telephone interview could advance the prosecution of this application, the Examiner is respectfully requested to call the undersigned attorney.

Allowance of this application is respectfully requested.

Respectfully submitted,



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